SOUTHEAST ASIA: #1 -- SOUTH VIETI

South Vietnam remains firmly committed to the West, and is increasingly concerned over what President Diem calls the "rampant" growth of nestralism in Asia

- The Vietnamese are keenly aware that the emergence of a hostile regime in Laos would -- in combination with an inimical Cambodia and a Communist North Vietnam -- complete South Vietnam's physical isolation from friendly territory.
- The Diem government also fears that a

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- Both the UK and India tend to connect a north-south settles a in Vietnam with Communist willingness to come to term
- South Vietnam is therefore taking steps to protect its position
- An envoy has been despatched to Laos, to counterbalance as Communist diplomatic representation there that may be estal:
  - following Premier Souvanna's Peiping trip.
- Aiso, Saigon's quasi-official'representative" in Cambod...
  - instructed to combat. Communist intrigue in the event Viet harm
  - diplomats show up there
- The South Vietnamese have emphasized to Prime Minister Nehru that
  - Indian interests in Indochina are best served by keeping South

Vietnam independent:

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Meanwhile, Diem is continuing efforts to shore up South Vietnassinternal defenses against communist subversion, and constant military and police pressure is being maintained on Viet Mich